

STATE BONDING FUND

PERFORMANCE REPORT FOR OCTOBER 2001

12/10/2001

	Assets as of October 31, 2001			* RATES OF TOTAL RETURN						
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary) Oct-01	Quarter Ended				2002 FYTD	Year Ended 6/30/2001
					Sep-01	Jun-01	Mar-01	Dec-00		
LARGE CAP EQUITY										
Value										
LSV	110	2.3%	2.3%	-1.73%	-9.12%	8.10%	-0.57%	7.52%	-10.69%	28.80%
RUSSELL 1000 VALUE				-0.86%	-10.95%	4.88%	-5.86%	3.60%	-11.72%	10.33%
Growth										
Alliance Capital	114	2.4%	2.3%	5.64%	-20.51%	10.03%	-20.15%	-17.25%	-16.03%	-30.23%
RUSSELL 1000 GROWTH				5.25%	-19.41%	8.42%	-20.90%	-21.35%	-15.18%	-36.18%
Core										
State Street	459	9.5%	10.5%	1.89%	-14.68%	5.81%	-11.93%	-7.82%	-13.07%	-15.00%
S&P 500				1.91%	-14.68%	5.85%	-11.86%	-7.82%	-13.05%	-14.83%
TOTAL LARGE CAP DOM. EQUITY	682	14.1%	15.0%	1.89%	-14.82%	6.91%	-11.64%	-6.50%	-13.21%	-9.87%
S&P 500				1.91%	-14.68%	5.85%	-11.86%	-7.82%	-13.05%	-14.83%
SMALL CAP EQUITY										
SEI Investments	218	4.5%	5.0%	4.60%	-20.00%	N/A	N/A	N/A	-16.32%	N/A
RUSSELL 2000 + 200 bp				6.02%	-20.62%	N/A	N/A	N/A	-15.85%	N/A
TOTAL SMALL CAP DOM. EQUITY	218	4.5%	5.0%	4.60%	-19.93%	14.24%	-9.39%	-10.36%	-16.25%	-4.21%
RUSSELL 2000				5.85%	-20.79%	14.29%	-6.51%	-6.91%	-16.16%	0.57%
CONVERTIBLES										
Trust Company of the West	459	9.5%	10.0%	3.16%	-15.83%	4.74%	-10.11%	-13.01%	-13.17%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				2.49%	-11.01%	4.12%	-6.24%	-12.31%	-8.79%	-11.87%
INTERNATIONAL EQUITY - Core										
Capital Guardian	461	9.5%	10.0%	5.17%	-17.63%	0.94%	-8.89%	-7.10%	-13.37%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				3.19%	-16.41%	0.15%	-10.44%	-3.47%	-13.74%	-20.41%
FIXED INCOME										
Core - Index										
Bank of North Dakota	1,092	22.6%	22.5%	2.62%	4.93%	0.31%	3.29%	4.24%	7.68%	11.02%
LB GOVT/CORP				2.54%	4.76%	0.30%	3.20%	4.37%	7.42%	11.13%
Core Bond										
Western Asset	1,433	29.7%	27.5%	2.89%	4.76%	1.18%	3.42%	4.29%	7.79%	12.62%
LB AGGREGATE				2.09%	4.61%	0.56%	3.03%	4.21%	6.80%	11.22%
TOTAL FIXED INCOME	2,524	52.2%	50.0%	2.77%	4.83%	0.80%	3.36%	4.27%	7.74%	11.92%
LB GOVT/CORP				2.54%	4.76%	0.30%	3.20%	4.37%	7.42%	11.13%
CASH EQUIVALENTS										
BND - Money Market Account	488	10.1%	10.0%	0.21%	0.90%	1.00%	1.40%	1.62%	1.11%	5.85%
90 DAY T-BILLS				0.26%	1.08%	1.12%	1.51%	1.63%	1.34%	5.90%
TOTAL FUND	4,832	100.0%	100.0%	2.72%	-4.36%	2.76%	-2.32%	-1.24%	-1.76%	0.43%
POLICY TARGET BENCHMARK				2.44%	-3.50%	2.28%	-2.02%	-0.75%	-1.14%	0.44%
TOTAL VALUE ADDED DUE TO										
Asset Mix				-0.02%	-0.22%	-0.29%	-0.08%	0.06%	-0.24%	-0.06%
Active Management				0.30%	-0.68%	0.76%	-0.22%	-0.55%	-0.39%	0.05%
Total Value Added				0.27%	-0.90%	0.47%	-0.30%	-0.49%	-0.63%	-0.01%

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

* NOTE: Monthly returns and market values are preliminary and subject to change.
Returns are net of management fees.